

10-9361

3 December 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with [REDACTED] on 2 December 1958

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1. The Yugoslavs are shortly going to approach United States authorities for the purchase of diesel locomotives. Most locomotives now in service are over 25 years of age and Belgrade is planning on dieselization. The new locomotive shop at Nis has been constructed so as to permit conversion to diesel engine maintenance. Without the 235 UNRRA locomotives (which still bear their UNRRA tags) the Yugoslav railways would be unable to operate.

2. [REDACTED] expressed doubt that the Bar-Kraljevo-Belgrade line would ever be finished. This line was primarily a political undertaking, to satisfy Serb national sentiment. Last year's announcement that construction was being abandoned is considered by the Serbs as a victory for the "northern gang of Croats and Slovenes." [REDACTED] was told that one of the issues in the Djilas dispute was the question of building the Bar line, Djilas having been a determined proponent of this scheme.

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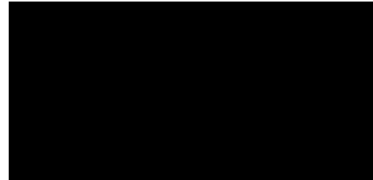
3. As a substitute for the Bar railroad the regime is developing the line Belgrade-Sarajevo-Ploce. The track between Belgrade and Sarajevo is being widened to standard gauge. A new port is being

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constructed at Ploce, near the mouth of the Naretva River, and this port will be connected with Sarajevo. The Ploce-Belgrade line makes more sense from an economic point of view than the connection Bar-Belgrade.

4. At Smederova-Polanka and at Kraljevo the Yugoslavs are building 4-axle 8,000-gallon tank cars with automatic couplers for the Russians. The cars are adaptable to either Russian or standard guage. The cars -- the bolsters and side frames for which are imported from Poland -- are of good quality and were negotiated for in dollars.



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